1: Indiana U. E-4 1955 EC1 Hungary EC

Distribution of Agricultural Exploitations in Pre- and Post-War Hungary

Size of farms in cadastral yokes (1.42 acres)	Number of Farms (Percentage)		Acreage of Total Arable Land Area (Percentage)	
	1935	1949	1935	1949
1-- 5 yokes	59.5	50.3	10.4	19.5
5-- 10 yokes	17.0	29.4	11.6	32.3
10-- 20 yokes	13.8	15.5	18.6	28.5
20-- 50 yokes	7.4	4.4	20.5	15.9
50-- 100 yokes	1.3	0.4	7.6	3.1
100-- 200 yokes	0.5	---	3.2	---
200-- 1,000 yokes	0.4	0.0	8.6	0.7
over 1,000 yokes	0.1	---	19.5	---
	100.0	100.0	100.0	100.0

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Annex "A," Subparagraph 3a, Economic Background

AGRICULTURAL POTENTIAL

In 1946, the territory of Hungary consisted of the following agricultural units in cadastral acres (1.42 acres): 311 241

Tillage	9,711,000
Gardens	225,000
Vineyards	376,000
Pasture	1,646,000
Meadows	1,109,000
Forests	1,950,000
Marshes	

Since then, the number of acres being tilled has increased

The arable areas of the country were divided, in 1947, between the following types of produce (in cadastral acres):

Cereals	4,558,000
legumes	58,000
root crops	3,236,000
industrial (filamentous and oleaginous) plants	343,000
fodder	1,046,000
leafy plants	81,000
others	49,000
fallow	271,000

Modern Hungary, poor in minerals, is Middle and Eastern Europe's richest agricultural land. Before World War I, it was the granary of the Austro-Hungarian Monarchy and its products were even exported to Western Europe. After World War I, Hungarian agriculture survived the hardships of the post-war years and the world-wide depression, only to be destroyed in World War II when, owing to the ravages of war, most of the cattle perished and a 241

241 significant portion of the equipment was ruined. In agricultural production, the country is now (1955) about to reach the pre-war level, except in cattle raising, which still lags far behind. The periodical food-shortages in Hungary are due more to the increased export (to the USSR and other People's Democracies) and to the sabotage work of the peasants than to low productivity of the land.

134 241 The soil of the middle part of the country — on the two sides of the Danube and in the Southern plains between the Danube and Tisza — is a very fertile black top soil similar to the chernozem (BLACK EARTH) of the Ukraine. Another excellent strip of soil lies along the former inundation area of the Tisza; it is rather brownish soil which turns black when wet. These soils produce a wheat of excellent quality and good corn. The center of this agricultural area is the southern part of the Great Plains. The chief potato-producing areas are the northwestern part of the country, the Kumság, all of which have a rather sandy soil. The same sandy soil yields large quantities of rye, grapes and other fruits. In Transdanubia and Northern Hungary — from the northwestern shore of the Balaton up into the northern part of the country — there is a hilly and partly mountainous region where forestry predominates, with occasional cattle breeding and agriculture;

since part of this region is covered with volcanic soils, it has excellent wines. 134 241

The northwestern part of Transdanubia is the most intensively farmed area in Hungary. Some parts of this area are sandy.

The meteorological conditions of the Carpathian Basin combined with a variety of soils offer rich and varied products to the inhabitants. 132 The Great Plains have a typically continental climate. The yearly precipitation is 500-600 mm. With a yearly average temperature of only 10 centigrades (due to the frequent -30°C winter colds), the amount of sunshine reaching this area in the summer equals that of the French Riviera. There is a relatively large number of hours of sunshine (1,900-2,000 annually on the Great Plains) which gives to the crops greater resistance to parasites, increases their power of germination and facilitates storage and transportation. The climate of Transdanubia constitutes a transition between the continental climate of the lowlands and the more coastal climate of the West European countries.

The chief crop in Hungary is wheat, and cereals in general. Corn 243 production equals that of wheat and is used primarily for fattening stock.

Good quality tobacco is being produced on some 8,000 acres of [249] Hungarian soil, especially in sandy areas.

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The hardships in the cattle breeding industry are causing a shortage of manure with which the output of fertiliser factories, although increasing, cannot catch up. Hungarian peasants now use an estimated 30,000 metric tons of granulated superphosphate yearly along with 250,000 tons of peat mixed with human and animal excrement.

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Animal husbandry before the war constituted about half the income of the rural areas. The ravage of the war inflicted terrible losses to Hungarian livestock and the country may not recover its prewar status even by 1956 in spite of the ambitious plans which call for surpassing it (see chart at the end of this Subparagraph). The primary problem of animal husbandry is the lack of fodder which is thus the chief cause of the lack of meat on the markets and the severe measures by which the government tries to regulate animal husbandry and slaughtering in the villages.

The center of cattle raising is the Hungarian West. Horses are bred mostly on the Great Plains and the center of hog fattening is in the counties Csanád, Csongrád and Békés.

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Fishing is one of the most ancient primitive professions of the Magyars. Today, fishermen use modern methods, and numerous hatcheries and

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The recent (since 18 April 1955) Hegedüs government succeeding Nagy could not reverse the trend entirely. Although he is extremely severe in the enforcement of the decrees concerning crop collection and taxes in the villages, Hegedüs, unlike the pre-Nagy Communist governments, continues not to discriminate against the small- and medium- landholders.

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The majority of the heavy agricultural work is performed with teams of horses or cows, rarely oxen. The equipment used is up-to-date, although wooden implements were used as late as the end of the nineteenth century. A full mechanization of agriculture would call for more emphasis on this type of machinery than the present status of Hungarian industry permits. Nevertheless, there has been an impressive increase in agricultural machinery, although complaints about the poor quality of domestic machines are common.

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The number of agricultural machine stations and tractors in Hungary was:

	MTS	tractors
1950	361	6,681
1952	364	9,723
1954	364	11,298

The equipment of the average MTS is 36 tractors, 23 threshing machines, 6 harvesters, 4 traction engines, 2 combines and several smaller machines for specific purposes.

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These machine stations are, of course, State property and their services can be rented at rates established by the government. Kolkhozes and peasants enjoy more favorable rates than wealthy peasants. There is some resistance to mechanization on the part of the more conservative

[242] peasants. This resistance is, however, much less than that exhibited against entirely new farming methods such as the square-planter method of seeding corn or the lengthwise and crosswise hoeing.

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As a rule, peasants have to deliver first their compulsory delivery quotas at a low price set by the State. If some produce is left, which may or may not be the case, they can market the rest freely. If and when delivery quotas are not fulfilled, the free marketing of certain products may be forbidden for a time. In 1954 such restrictions were made on meat

[253] and lard. Especially Draconic are the government's measures against "unlawful" slaughtering of domestic animals, for the situation is acute in this branch of agriculture. Government decree No. 250,390 of February 23, 1951 promises five per cent of all the goods confiscated to anyone, official or private citizen, who helps the authorities to discover "black slaughtering."

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The Hungarian peasants either operate their farms individually, which is true in the majority of cases, or they work for a state farm (sovkhoz),

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or they may belong to a kolkhoz. Very infrequently they work for richer peasants. The kolkhozes cover (in 1955) an estimated 18 per cent of the total arable land and approximately 200,000 families are connected with them.

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Those who work on the kolkhozes are looked down upon by the other peasants, for they do not work on their own, according to time-honored methods, but go to work for a share or a salary and thus have little or no opportunity for individual achievement.

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There are numerous beliefs and superstitions connected with agriculture and livestock breeding. To enumerate them would take dozens of pages. Work on the farm and the field fills the peasants life completely; most of his professional know-how comes through tradition and experience, both of which are apt to develop set habits and customs. There are well-defined ways of doing certain agricultural work, for example that of binding wheat into sheaves: this is the way everyone does it and this is how their ancestors did it. It is rather difficult to teach new farming methods to the peasants, although the present regime appears to be making headway. The most important customs are the ones associated with the days of the year: There are auspicious days (mostly saints' days) when one should plant or

241 carry on other activities, and other days when certain work must not be done.

To mention just one phase of rural activities, sowing is still done by hand in most of the villages according to an elaborate ritual. The container or the cloth in which the grain is held must be of a certain kind, and the peasant's clothing, and diet on the day of sowing must be also of

[78] a certain kind. Incantations are said upon the seed and the act of sowing itself is highly elaborated.

The Magyar farmer loves his land and works on it with paternal care and great industriousness. The methods he is using may be partly outdated but they are based on age-old experience and loving care of the soil. He is well-known for spending more on veterinarian than on doctor bills and is more apt to try "popular" methods of medicine on the members of his family than on his domestic animals. He respects nature, believes that his labor is of no avail if supernatural forces do not favor him with good weather, and uses both prayers and superstitious practices to assure their benevolence.

SOURCES

000 Bartha, Kiroly, et al.

[1933-37]. A magyarság néprajza. [The Ethnography and Folklore of the Hungarians.] 4 Vols. Ed. Elemér Csakó. Budapest: Királyi Magyar Egyetemi Nyomda. 3000 illus.

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Table 1. Basic Agricultural Products of Hungary

(Tillage in 1,000 cadastral acres)

Year	Wheat	Rye	Barley	Oats	Corn	Potatoes	Sugar Beets	Rice
1936-40	2,752	1,080	791	400	2,055	501	83	—
1945	1,318	658	[illegible]	390	2,255	549	34	—
1946	2,016	820	869	385	2,196	437	104	—
1947	2,388	978	733	382	2,310	484	168	3
1956 (plan)	2,580	860	800	—	—	435	—	90

Table 2. Basic Agricultural Products of Hungary

(in metric tons)

Year	Wheat	Rye	Barley	Oats	Corn	Potatoes	Sugar Beets
1936-40	23,098	6,989	6,285	2,966	25,148	23,097	10,385
1945	6,578	3,036	4,422	1,709	18,711	16,908	1,775
1946	11,[illegible]67	4,242	4,413	1,980	13,635	11,432	5,[illegible]
1947	10,617	4,297	4,319	1,809	18,447	13,[illegible]48	10,930

Table 3. Basic Agricultural Products of Hungary

(Average yield—100 kg. per cadastral acre)

Year	Wheat	Rye	Barley	Oats	Corn	Potatoes	Sugar Beets
1936-40	8.5	6.6	8.1	7.5	12.4	46.6	128.2
1945	5.2	4.7	4.9	4.7	8.8	32.2	67.2
1946	5.9	5.4	5.5	5.6	6.8	25.6	55.2

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Table 4. Average Yields in 1938

	Wheat	Rye	Barley	Oats	Corn	Potatoes	Sugar Beets
USSR	5.6	5.6	5.1	5.5	5.9	32.	81.1
Hungary	9.6	7.3	9.2	8.0	13.1	42.3	126.6
Great Britain	14.7	9.8	13.2	12.0		100.8	95.2
USA	5.2	5.0	7.4	6.2	10.0	47.9	161.1

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Table 5. Livestock of Hungary

(in thousands)

	1935	1938	1945	1947	1950	1956 (Plan)
Cattle	1,900	1,882	1,069	1,640	1,950	2,200
Horses	900	813	329	516	538	-----
Hogs	4,700	3,110	1,113	1,992	3,000	5,500
Sheep	1,500	1,629	328	570	-----	2,300
Goats	-----	-----	-----	100	-----	-----
Mules, donkeys	-----	-----	-----	6	-----	-----
Poultry	-----	-----	-----	-----	-----	20,000

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433 with the disruption of transport and the breakdown of the whole fabric of public administration.

Official figures compare industrial activity before and after the war as follows:

	1945	*1938*
Total number of factories*	4,341	3,990
out of which		
working with over 70 per cent capacity	186	1,229
working at 31–70 per cent capacity	1,062	1,916
working under 30 per cent capacity	1,984	486
completely out of work	1,109	89

* Plants employing more than twenty workers when in full swing.

A further factor gravely impairing output was the lack of labour discipline, while food conditions were so miserable in the first post-war year as to make the labourers physically unable to perform regular work.

[316] In 1945 coal output, with about the same personnel in the mines as in 1938, fell to roughly a half of the pre-war achievement. In that year aggregate man-hours in manufactures were roughly 50 per cent of the pre-war level.[1]

[241] [231] In agriculture the bread-grain crop of 1945 was approximately a third of a normal harvest. In livestock heavy war damage had been suffered, though official statements, according to which over 40 per cent of cattle and 60 per cent of the pig population had been lost, were thought by some experts to be rather exaggerated. Recovery in agriculture was necessarily slow, and adverse conditions for cultivation (lack of draught animals and of tractors, as well as of fertilizers), coupled with a sequence of droughts, played havoc with successive crops.

In industry the process of restoration started as soon as wholesale dismantling had ceased. Industrialists took advantage of credits in a rapidly depreciating currency to rebuild and, if possible, to modernize their plants. As to the efficiency of labour, the financial reorganization, which put an end to a galloping inflation in August 1946, provided a basis for the gradual raising of industrial output per head.

[1] The following figures cast some light on the development and the structure of manufacturing industry:

	Power equipment in 1,000 H.P.			Number of workers employed (yearly averages)	
	1938	*1943*	*1945*	*1938*	*1945*
Total	1,552	1,965	1,746*	288,000	179,000
Iron, metal, and engineering	293			91,000	71,000
Power generating	727			7,000	8,000
Textile	98			54,000	28,000
Food	223			34,000	24,000
Chemical	71			16,000	13,000

* Approximate figure.

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In order to improve industrial production, the problem of foreign trade had to be tackled. Dislocation brought about by the war led to a complete breakdown of international trade. In 1946 the volume of imports as well as of exports amounted to about one-sixth of the pre-war level.

The efforts in securing raw materials scored some success. In 1947 imports were raised to about half of the pre-war volume, yet exports did not exceed one-quarter. There were remarkable shifts in the composition of foreign trade, reflecting the changed conditions. Imports appear to have been restricted to raw materials and industrial equipment, while manufactured goods figured as the main items of exports in consequence of the shortage in all kinds of farm products.

Two major factors (war losses and drought) affecting agricultural production have been mentioned. There was a third one, a direct consequence of the political landslide: the breaking up of the big estates and of the big holdings of which they mostly consisted. In their place several hundred thousand of new peasant holdings emerged.[1] This radical change, brought about by the land reform of 1945, inevitably caused a lessening of the marketable portion of farm produce. The land reform was bound to alter the old pattern of agricultural production. In its wake the preponderance of grain growing was expected to give way to a more diversified cultivation. Corresponding with these changes in the composition of production, the exportable surplus of cereals was destined to cease and was to be replaced by the products of more labour-intensive peasant farming. But the process of recovery in farming being necessarily slow, agriculture was overtaken by the extension of industrial production even before the Plan was started. Consequently farming lost its previous importance as a main source of exports.

Post-war reconstruction was to be achieved under unprecedented conditions. After the collapse of the Fascist regime, public services had to be rebuilt and work discipline restored under Russian occupation in a radically changed social atmosphere. Economic policy was bound to reckon with new developments in agriculture and industry as well as with the necessity of a reorientation of foreign trade. Last but not least there was the urgent task of halting inflation, as financial disorder attained proportions which endangered the entire social and economic fabric.

[1] This involved also the splitting up of production units, the large estates having been run mostly as large-scale farms and only exceptionally in the form of small tenancies.

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eager both to reconstruct their plants and to restore their former international connexions. At that time it did not yet seem dangerous either for business men or for politicians to cultivate Western contacts.

As to the structure of Hungarian society, roughly half of the population was before the war dependent on agriculture, one-quarter was engaged in mining, manufactures, and handicrafts, and about 10 per cent in commerce, banking, and communications.[1] Under the impact of post-war developments important changes took place within the various social groups. Yet the proportion of agricultural population had hardly changed to an appreciable extent until 1947.[2]

The structure of agriculture had been radically changed by the land reform of 1945 which limited agricultural holdings to the size of 100 and in certain defined cases to 200 yokes (140—280 acres). Some 1,500 big and mammoth estates and a considerable number of medium-sized holdings (200 to 1,000 yokes), roughly 30 per cent of the cultivated area, were transformed into small units. Property was assigned to 370,000 landless labourers while some 270,000 dwarf lots were enlarged.

The dislocation consequent on this sudden change in structure was not overcome during the two years that elapsed between the land reform and the Three-year Plan of 1947. The process of implementing the reform by providing the new farmers with the requisites for the economic cultivation of their holdings, was at its very initial stage. Some expedients of mutual assistance among the farmers were evolved to meet the shortage of machinery and draught animals. The lack of livestock was an aftermath of the war, stock-raising being the part of the economy which had suffered most heavily from the war. Animal husbandry had been a fairly well developed branch of farming in pre-war Hungary. It was mainly due to this fact permitting a more plentiful use of manure that average yields per acre in agriculture were higher than in other countries of South-eastern Europe. Reduced livestock, the reconstitution of which could but be gradual, meant lower agricultural output, and the insufficient supply of implements and machinery caused a setback in the mechanization of agriculture, which, in any case, in view of cheap labour, had made little progress even before the war.

In manufacturing industry new forms of industrial relations in public and private concerns had to be adopted. The position of the trade unions was substantially strengthened. Collective

[1] See further details on the census of 1941 in the Appendix, Table II.

[2] The first post-war census applies to the end of 1948. No figures were released, however, except some details on small-scale industry and commerce.

3:Kemeny G-5 (1945-48)1952 EC1 Hungary EC1

AGRICULTURE

In agriculture a system of planning was built up which was reminiscent up to a point of the form of agricultural planning in Great Britain or of the control and guidance of agriculture introduced in other countries of Western Europe. The common characteristic of these systems was production by private enterprise under central control, one of the main objectives of the direction being to ensure the delivery of certain quantities of food to the public authorities. Hungary, like the Western countries, relies within the pattern of control on price policy and on the granting of other advantages on certain products to induce the kinds of production desired. In the methods applied, however, the similarity was soon to cease. In contrast with the Western countries, the prices fixed in Hungary for deliveries were insufficient, as evidenced by black-market prices far exceeding the official ones. The inducement to evade the requirements of delivery was, therefore, strong. It was of vital importance for the Government to secure at least the moderate rations of food prescribed for the urban population. As from 1946 a machinery for collecting had been carefully developed, and later on flying squads were organized to apply harsh methods in repressing the peasants' attempts to slip through the meshes of the regulations requiring the delivery of grains, fat, and other produce. As a considerable part of the normal farm output had to be handed over for public supplies, an efficient working of the system would mean that the farmer was compelled to produce adequately if he was to have enough left for his private consumption.

It was not solely through the tightening of the collection system that the introduction of planning changed the position of the individual farmer. In order to secure the growing of certain products, direct compulsion was applied by decrees ordering in detail which part of the holdings should be devoted to the cultivation desirable. This compulsion was the very essence of the agricultural plan, which embraced the whole of the arable area. A plan was drawn up for production in stock-raising, too, listing the quantities of meat, milk, poultry, eggs, wool, etc. to be produced. These latter figures remained mere targets, but for crop growing the plan was, in one respect at least, realized. There were two sets of targets; the area to be sown with each product and the average yield. The latter represented guesswork more than anything else, though the estimates of yields lower than those of 1938–9 showed the intention of the planners to allow for underlying changes.[1]

[1] Average yields in 1938: wheat 9·6, rye 7·3, barley 9·2, oats 8·0, maize 13·1, potatoes 42·3, and sugar-beet 126·6 quintals per yoke.

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The plan was drawn up on the following lines:

	Estimates 1947–8			*Results 1947–8*		
	Area sown 1,000 yoke	*Average yield quintal/ yoke*	*Crops in 1,000 quint.*	*Area sown 1,000 yoke*	*Average yield quintal/ yoke*	*Crops* in 1,000 quint.*
Wheat	2,450	7·3	17,885	2,324	6·8	15,800
Rye	950	5·8	5,510	1,005	7·2	7,240
Barley	850	6·9	5,796	784	9·0	7,060
Oats	340	6·4	2,176	409	8·5	3,480
Maize	2,100	10·6	22,366	2,263	13·1	29,600
Potatoes	525	38·0	19,950	490	47·5	23,300
Sugar-beet	125	85·0	10,625	185	86·0	15,900

* Provisional data, no corrected figures were later given.

In determining the area to be sown with each product, the natural conditions of agriculture in Hungary had to be taken into account. Even within these limits modification of the pre-war sowing scheme was possible, and was, in fact, carried through in response to urgent needs (in particular by extending the area for oil seeds). The sowing plan for 1947–8 had to be revised, because in the autumn of 1947 the preparation of the soil was hampered by abnormal weather conditions. The gaps left by reduced autumnal sowing of bread-grains were mostly filled by planting maize in the following spring, as summer wheat and rye do not thrive in Hungary. But, apart from occurrences of this kind, the sowing plan was carried out. The mechanism of control proved fairly efficient.

The breakdown of agricultural output according to counties (numbering twenty-five) was drawn up by the Ministry of Agriculture. This plan, with its subdivisions, was based on previous experience. The starting point for determining the area for each crop was the average pre-war figure. This was cautiously modified with a view to changes in agricultural policy (change-over from grain-growing to more diversified production) and to immediate needs.

It was the task of the county committees, assisted by local government agricultural departments and representatives of the Planning Department, to elaborate, within the limits set for each county, sowing plans according to districts and localities. The responsibility for determining the part of the individual farmer rested with the local or village committees. These were destined at the same time to supervise the activities of the farmers in their successive stages. The omnipresent Communist Party, together with the organization of the 'National Union of Working Peasants', was called in to assist the village committees in fulfilling their task of control. These local committees supported the representatives of the Planning Department, who

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	Index of output in 1947–8 (*100 in 1946–7*)	(*100 in Plan*)
Mining and metallurgy	120·9	105·4
Manufacturing industries:		
Iron, metal, engineering	160·9	123·3
Electrical-power production	128·0	121·0
Leather industry	193·0	156·0
Chemicals	117·0	109·0
Textiles	146·0	95·0
Clothing	227·0	84·0
Total Manufacture*	154·0	104·0

* Including items not quoted.

The extension of activities of light industry was left to the hazards of raw-material supplies. The special case of the leather industry, with an output pushed far beyond the target production programme, is explained by the existence of stocks of raw material which had not been fully taken into account by the planners. A heavy inroad was made on these stocks. None the less production remained, as in other important consumption-goods industries, considerably below pre-war level, while production in all capital-goods industries exceeded that mark. Yet the performance of industry as a whole, signifying a 54 per cent rise compared with the preceding year—calculated at 1947 January prices—was spectacular enough. In terms of quantities [464] coal output rose by 27, steel production by 40 per cent. The expansion was realized without a corresponding increase in the labour force. In coal mining the result was mainly secured by regrouping, which raised the number of miners working at the coal-face. Thus average productivity, as measured by output per shift, was raised by 21 per cent. In manufactures the average number of those employed rose from 250,000 in 1946–7 to 291,000 in 1947–8. This moderate increase (16 per cent), if compared with the growth in output (54 per cent), indicates higher productivity of labour. The average rate of improvement in productivity amounted at this time, according to the computations of the National Planning Department, to 25 per cent. A 40 per cent rise was claimed later. The substantial difference between the earlier and the later version was not explained.[1]

AGRICULTURE

241 654 For agriculture the Plan presented a comprehensive development programme. The programme included investment to benefit crop-growing and stock-raising. Means were assigned

[1] See p. 93.

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for the elimination of strip-farming,[1] for irrigation and drainage, for mechanization, particularly through the establishment of tractor stations, for farmers' training as well as for the extension of agricultural industries, for the increased output of fertilizers, for supplying the countryside with electric current, for road building, and finally for social services in the villages. Besides the funds provided centrally to be used for agricultural equipment, there were investments of individual farmers, which escaped central control. This activity took shape more especially in the increase of livestock and in new farm buildings. The development scheme, absorbing roughly 700 million forint (£15 million) in the course of the first Plan year, was bound to raise quantity and quality of production in the long run.

The planning which set out to determine the kind of cultivation to which areas of land should severally be devoted encountered certain limiting factors. In spite of a substantial recovery, the effects of war destruction on equipment and livestock were not yet effaced. Moreover, the consequence of the land reform had to be considered.

In consequence of the breaking up of the big landed estates broadly one-third of the agricultural area, formerly cultivated in big units, was divided into lots too small on the average to yield full support for a peasant family. Subsistence farming stepped in where formerly production for the market prevailed. The measures of adaptation required by the sudden change of structure, in particular, the change-over to more intensive methods of cultivation which is usually regarded as a corollary of the land reform, had to be postponed. The new farmers had to wrestle with the day to day problems of the lack of draught-animals and other traction power, of fertilizers, and of implements, and, last but not least, with a sequence of droughts. The fact that, in spite of all these adverse conditions, the area sown in 1946–7 was only slightly less (2 per cent) than the average of the period 1934–8 shows the determination of the peasants to work hard on the land they owned.

Low averages in yields, though imputed to the weather, were to a certain extent caused by deficient methods of cultivation. Yet it would be wrong to put the whole blame for the setback in production on the land reform. Post-war conditions in general and the adverse weather conditions had a substantial share in causing the unsatisfactory results. Those who sometimes argue that the hasty division of land aggravated the situation, do not take into account the fact that, in a world of social upheaval,

[1] This worst obstacle of economic farming was widely spread. It was to be found in its most extreme form in the Central Hungarian Plain.

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241 433 the big land-owners would have encountered troubles which would have impaired the productivity of their estates.

From the following table it may be observed that changes, compared with the period before the war, in the relative size of areas to be devoted to the different branches of cultivation are not very great. The main features are reductions in the sowing of bread grains and the extension in the production of oil seeds. Reduced cultivation of bread grains accords with a permanent trend, while the emphasis placed on oil seed was rather a momentary reaction on account of the shortage of animal fats.

	Area sown in 1,000 yokes			*Area sown in 1947–8 in percentages of Plan estimate*
	Average 1934–8	*1946–7*	*1947–8*	
Wheat	2,806	2,388	2,324	95
Rye	1,114	978	1,005	106
Barley	811	773	784	93
Maize	2,029	2,309	2,263	107
Potatoes	509	482	490	93
Sugar-beet	81	169	185	148
Oil seeds:				
Main crops	63	278	390	105
Subsidiary crops	270	447	547	
Fodder	1,170	1,045	1,030	96

The divergence from the agricultural plan, so far as sown areas were concerned, was of no great consequence. But the supply situation was determined by average yields which were disastrously low in 1945–6 and improved only slightly in 1946–7. Food supplies during 1947–8 were dependent on the poor crops of the previous year. Thus scarcity of food became a feature of the first Plan period, as it was a characteristic of the year of the monetary reform. Inadequacy of food supplies was reflected in the price movements during 1946–7 as well as in that of the first Plan year.

	Crops results in million quintals		
	Average 1934–8	*1945–6*	*1946–7*
Wheat	22·2	11·3	12·6
Rye	7·0	4·2	5·0
Barley	6·1	4·4	4·0
Maize	23·1	13·6	17·8
Potatoes	21·3	11·4	14·6
Sugar-beet	9·6	5·2	11·6

RISING PRICE LEVEL

435 In the course of the year 1947–8, with soaring prices of farm products and considerably increased prices for manufactured articles, fluctuations were violent. The authorities, endeavouring to conform their policy to facts, roughly doubled the official prices for bread grains. By the end of the period reports on

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CHAPTER VI

THE CHANGE IN ECONOMIC AND FINANCIAL STRUCTURE

INDUSTRY AND AGRICULTURE

471 WITH the change of the political climate in Eastern Europe, the policy in regard to the scope of nationalization underwent a definite change. In March 1948, shortly after the coup d'état in Czechoslovakia and the ensuing nationalization measures in that country, public ownership of all industrial enterprises in Hungary with more than 100 employees was announced. No preliminary discussions on a measure of such consequence had taken place. It was plotted by the Communists and presented to the public in a way that deprived the other parties—already politically undermined—of the possibility of offering any opposition. The law enacted in May 1948 on the nationalization of industry did not protect even small-scale industry against further encroachment. It vested the competent Ministry with arbitrary power to include any plant irrespective of size. Though the principle was established that compensation should be paid to the former owners, it was never intended to carry this principle into practice.

Thus when the first Plan year drew to its end, broadly 80 (and later 90) per cent of manufacturing industry in terms of man-power was nationalized. In the wholesale trade the change-over was completed within a short period. By 1949 nationalization had also made substantial progress in the retail trade.

And there was the sinister chapter of land collectivization. 661 The campaign was opened after the rupture between the 565 Cominform and Yugoslavia. In fighting 'rural capitalism' assi- 423 duous efforts were made to split the peasants into two camps, the *kulaks* or exploiters on the one side, and the 'working peasants' on the other. Owners of farms larger than those workable by one family were denounced as capitalists. In the course of the campaign this line of discrimination faded. Eventually it depended on the arbitrary decision of the local party committees whether a farmer ranked as a *kulak* or as a working peasant. The intention evidently was to outlaw the *kulaks* and to coerce 241 or entice the working peasants into the *kolkhoz* (the Russian type 423 of collectivized farming). Co-operatives merging the small hold- 474 ings according to that system into an economic unit enjoyed

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special credit facilities and priorities in using tractor stations, and were favoured in many other ways. In spite of these benefits and a relentless propaganda coupled with elaborate methods of pressure, land collectivization remained in an embryonic stage. By the end of 1949 it was claimed that about 1,500 producers' co-operatives, cultivating 370,000 yokes of land, had been established. This would amount to 2·6 per cent of the total agricultural area. Even these moderate figures may be overstatements, as possibly not all the co-operatives concerned are of the most 'advanced' type, which merges the holdings of the individual members. Moreover, this kind of co-operative was mostly established on land recently acquired by the Government under the right of pre-emption, or through confiscating *kulak* holdings, and redistributed on condition that the new owners joined the advanced form of co-operative.

So far the changes in the organization of agriculture as brought about by the land reform were slight. Yet the rural districts had been stirred up and their atmosphere poisoned. Some detrimental influence on productive activity may eventually result, but no signs of it have been discernible up to now. The reports on the achievement in agriculture neither substantiate accusations of *kulak* sabotage nor do they indicate any relaxation of assiduity in cultivation because of anxiety about the ownership of land. The terror applied in collecting the grain and other produce, which the peasants were bound to deliver in order to ensure public supply, may partly explain their zeal in growing adequate quantities.

ADOPTION OF THE SOVIET PATTERN IN BANKING

In April 1948, with any serious political opposition already excluded, it was proposed to recast the Hungarian credit organization. By that time the nationalization of the leading banks had been completed. As already stated that measure, extending as it did to the subsidiaries of the institutes concerned, subjected over 80 per cent of the credit apparatus to public control. Nationalization, as it was decided upon in 1947, was intended to avoid the disruption of existing units, and to enable them to restore former international relations. A reorganization of banking undeniably appeared necessary. It was already overdue during the inter-war period, when the solution of the problem was adjourned because of the rivalries of competing groups and the lack of determination of the financial authorities. There is little doubt that a reasonable organization could have been reconciled with the preservation of ties with Western

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433 461 previous introduction of piece-work on the most extensive scale possible. But a laxity in the calculation of the norms stood in the way of satisfactory results. At the beginning of 1949 a new attempt was made to suppress abuses connected with the norms by strengthening discipline. A new basic collective agreement was concluded, comprising all workers in mining and manufactures. In the wording of an official announcement, it aimed at making latent resources of production available through getting rid of obsolete norms. The working out of new norms was to be supported by the devices of Stachanovism, i.e. by the instrumentality of 'shock-workers', named after the first 'hero of work' in Soviet-Russia under whose name this method of raising productivity was started. Nevertheless productivity in manufactures, as recorded officially, declined during the first half of 1949. Renewed efforts were then made. A resolution of the Communist Party called upon the trade unions and works councils to concentrate their activities on issues of productivity and labour discipline. A huge propaganda campaign was launched in order to create a mass movement of socialist workers' emulation. By the end of 1949 almost half of the work-people were engaged, according to official records, in this kind of rivalry. All that was attained as a result of the struggle to raise productivity apparently consisted in making up the setback suffered during the first half of the year.

INCREASING FOOD SUPPLIES AND THE COST OF LIVING

241 433 During the years preceding the Plan, agricultural developments were marked by extremely poor harvests. Yields in 1948 might be appreciated as a stride towards restoring normality in agricultural production. The harvest of bread grains was still about 20 per cent below the pre-war average, but those of maize and root crops were well above it.

	Average 1934–8	*1946–7*	*1947–8*
	Crops in million quintals		
Wheat	22·2	12·6	15·8
Rye	7·0	5·6	7·2
Barley	6·1	4·0	7·1
Maize	23·0	17·8	29·6
Potatoes	21·3	14·6	23·3
Sugar-beet	9·6	11·6	15·9

Regarding the harvest of 1948–9 it was officially stated that the wheat, rye, and barley crops exceeded the yield of the preceding year by 25 per cent. This 'statistical' information might suggest that in this sector of agricultural production pre-war levels were almost attained, implying the disappearance of a

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shortage in vegetable food. Harvests in maize and sugar-beet were, however, disappointing. Failure of the maize crop explains why supplies in meat continued to be scarce.

It may be recalled that during the first Plan year the country laboured under a food shortage, with all its implications for prices and wages. The period August-December 1948 was the first since the monetary reform in which the cost of food declined. A reversal in the trend of agricultural prices, due to causes already explained, was the prelude to this change.

The extent of the improvement brought about by bigger crops might be illustrated by comparing the peak of the retail food index in February 1948 with the low point of that year in September: 159·9 against 113·9.[1] Prices then caught up again with a concomitant revival of the black market, as apportionment even of the low rations became irregular. It was a poor record of the state of efficiency in food administration. Political headquarters accused the peasants of sabotage. The countermeasures taken were not to produce palpable results till the following year.

Wage policy was adapted to the change of conditions. In contrast with the line pursued at the start in August 1947, the second Plan period did not open with a general rise in wages.[2] The pay-roll in manufacturing industry grew roughly in proportion to the expansion of employment. Average wages, as shown by official indices, were kept stable in mining and appeared to decrease slightly in manufacturing industry. The Government and trade unions were able to follow this line owing to increased food supplies reflected in declining official prices and owing to a diminishing dependence on the black market.

The publication of index numbers, as well as of other relevant statistical data, ceased in 1949. The National Planning Department, in a statement released to the press, claimed that real wages had increased by 20 per cent during the first half of the year. In the second half a further general rise by 5 per cent was recorded. In the earlier periods the upward movement of money wages had been induced and accelerated by soaring food prices. This time the cost of living was diminishing. The harvest of 1949 further improved vegetable food supplies. It was followed by the de-rationing of bread and by the practical disappearance of the black market for food. According to official statements the cost of living decreased by 7·4 per cent and the cost of food dropped by 12·4 per cent during 1949. Wage increases gained therefore a different significance from those previously

[1] See Table IV in the Appendix, pp. 137–8. [2] See p. 50.

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ordination of the work of the authorities. The executives were, in particular, supposed to collect adequate information on the prospects of raw-material supplies when submitting applications for credit. This information was mostly derived from official sources: the Raw Materials Board, or the Ministry for Foreign Trade; yet in a number of cases it was supplemented by anticipations based on special knowledge of sources of supply.

With a view to the control of the manufacturing process, the Planning Department attempted at first to keep account of every detail, right down to the output of individual products within the different concerns. Later, in view of the rapid expansion of production, it was recognized that control could not work in such detail. After some hesitation the National Planning Department confined itself to watching the flow of production of each individual concern as a whole, with little regard to whether some of their workshops were ahead of their schedule and others lagged behind it. The overall figure of current production of a concern was estimated on the basis of the number of workers engaged in the different sections of production. The relation of the wage costs to the value of products was worked out for the various sections of the manufacturing process within the concerns. The Planning Department exploited these calculations in order to control on broad lines the rate of expansion in industrial production.

The local representatives of the Planning Department were in a position to exert current control, provided they had sufficient expert knowledge. The heavy penalties inflicted for any offence against the Plan generally sufficed to prevent any shortcoming on the part of the executives. They were, in fact, anxious to secure approval in advance for any change in programme. This practice contributed to the tightening of control, imparting at the same time a bureaucratic character to the whole system.

AGRICULTURE

The individual farmer's production was directed by local agricultural committees established through the agency of the National Union of Working Peasants.[1] The counties and districts, with their respective departments and committees, operated as intermediate organs behind those local bodies. Central direction emanated from the Ministry of Agriculture, which was responsible jointly with the National Planning Department for this part of the Plan. The local boards deter-

[1] See above, p. 39.

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mined the production plan of the individual farmer, and exerted permanent control over his activities. The growing of certain products was brought into more direct relation with the general production Plan by being placed under the centralized control of special agencies. Contracts were concluded between the individual farmers and these central agencies. This system, which was called production 'under contract', ensured the farmers guaranteed prices and specially favourable conditions for production. The contracting farmers were to receive quality seed, fertilizers, and credit facilities. On the other hand the obligation was imposed on them to adopt improved methods of cultivation as worked out by Government experts. The grower was, as a rule, under the obligation to deliver the whole produce of the contractual area, which was kept under control by a staff of supervisors. Another variety of these contracts, less frequently applied, stipulated the delivery of the produce only up to specified limits. The grower then was entitled to dispose freely of the part of his crop exceeding the determined maximum. The maximum, however, was usually based on yields considerably above the average crops in the produce concerned. On a more limited scale this special form of control of production had been applied in the inter-war period and during the war. In 1948 about 10 per cent of the arable land was cultivated under contract, so as to produce improved qualities of seed-grain, oil seeds, or tobacco.

Planning in agriculture was not confined to determining the proportion of the areas to be devoted to the different branches of cultivation. Besides the production plan there were other plans, i.e. time-tables set up centrally for ploughing, sowing, and harrowing. The existence of these plans implied, on the part of the local committees, a permanent control of the work to be done by the individual farmer. He was required to report and to make application for assistance, for example by borrowing implements or tractors, whenever it was wanted to carry out the work prescribed. Any omission or delay might incur a charge of sabotage. It was the duty of the local and district branches of the National Union of Working Peasants, in co-operation with the authorities, to provide what was necessary. This could be done through arrangements with one of the State-owned tractor stations (which, besides tractors, disposed of threshing machines and other equipment). An alternative was to hire from farmers who had draught animals or agricultural machinery to spare. These farmers were obliged to lend at officially-fixed rates of compensation.

The final test for the farmer was the compulsory delivery of

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grain, oil seeds, fat, and pigs. Smaller holdings had to surrender fat. The owners of holdings over a certain size were obliged to fatten pigs for delivery, up to a prescribed minimum weight.

It was a common feature of the measures taken in order to control agricultural production that they were applied, in particular in the latest stages, with a severity not justified by purely economic considerations. For political reasons it was intended to go beyond economic necessity, so as to provide a weapon in the campaign by which the wealthier part of the peasantry was to be annihilated.

AGENCIES FOR CO-ORDINATION

647 471

The National Planning Department, as the centre of the whole economic system, was endowed from the outset with wide powers. The Department started with a small personnel, on the assumption that it could make use of assistance from other Departments for special tasks. Battling at the beginning with difficulties within its own organization, the supreme planning authority had to divide its attention between the current work of control and adjustment and what may be called the strategic line of planning.

As an inevitable consequence of the hasty manner in which the obligations of producers under the Plan had been drawn up, applications for the approval of alterations poured in at the time when the checking and co-ordinating of the individual plans submitted were going on.[1] Alterations approved for one concern were often bound to involve changes in dependent industries. This was recognized, yet a workable co-operation between the Planning Department and the Ministries of Industry, of Transport, and of Public Works, in order to master the problem, was but gradually evolved. Until better co-operation was achieved, many disturbances had to be overcome, amounting even to a stoppage of plants caused by delays in decision. In a number of cases the executives preferred to interrupt production rather than take personal responsibility in the absence of new directives.

The National Planning Department considered the drawing up of investment projects beyond those published in the Plan to be one of its paramount tasks. This was in accordance with the policy of speeding up the production of capital goods. The schemes were prepared, use being made of capital programmes worked out before the introduction of planned economy. The schemes were kept in reserve, in order to be launched as soon as

[1] See Chapter IV.

3:Kemeny G-5 (1945-48)1953 EC1 Hungary EC1

464 units, and the rate at which it could be eliminated was uncertain. As to the scale of industrial employment brought about by the Three-year Plan, it was not unprecedented, for a similar level had been recorded in 1943, though only at the peak of the war-time efforts.

A rise of the labour force in manufactures up to 415,000 (excluding small-scale industry and the whole building trade), together with an additional 70,000 employed in mining, could not be qualified as a new phase of the industrial revolution in face of a total actively engaged population of 4·3 to 4·5 million.

433 Nevertheless the Plan did bring about a change, and a definitive one, in the economic position. Not that it altered the economic structure of the country, for the changes in industrial production were mostly through extensions of existing centres. Besides the re-equipment of a great number of workshops, there were, of course, new factories built. In line with the much boasted self-sufficiency in capital goods, the engineering industry was set the new task of extending the scale of machine-tool production, a section hardly existing previously in view of a restricted

[371] market. For an external observer the most conspicuous change in the field of industrial development was perhaps the expansion of power generation. It was raised by 70 per cent in comparison with pre-war production. Besides providing sufficient current for industry, the extension resulted in the inclusion of quite a number of country districts, hitherto without electric current, in the network of supply. Still, the general picture presented by Hungary's economy at the close of the Three-year Plan, in so far as the degree of industrialization was concerned, did not fundamentally differ from that remembered in pre-war times: an agricultural country on its way towards industrialization. The change-over to an industrial community is to be realized by the new Five-year Plan contemplating an industrial labour force exceeding the million mark at the end of 1954. This programme requires the establishment of a great number of new factories. Accordingly it is intended to spread industry over the countryside and also to create new industrial centres.

TRADE RELATIONS

241 An appraisal of trends in external relations appears possible
423 only if viewed against the background of pre-war conditions. In this context changes in agriculture—past and impending—are of consequence.

In replacing large-scale farming by subsistence farming on one-third of the agricultural area, the land reform tended to

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reduce the volume of grain surpluses in comparison with the quantities available prior to the war, but, on the other hand, to favour the raising of livestock. The Plan, on its agricultural side, was designed to support this tendency.

However, the objectives of agricultural policy go far beyond this development programme. The Government are determined to reorganize production in conformity with the Soviet *kolkhoz* pattern, that is to create large units by merging the peasant holdings into collective farms. Results of the efforts made in this direction have hitherto been slight. The peasants did not yield to propaganda or to indirect coercion. Presumably the pressure will grow. The opinion evidently held in official quarters is that it is through the *kolkhoz* that substantial improvements in the methods of agricultural production are to be hoped for. A reorganization on these lines would at the same time offer the authorities an instrument for tighter control of agriculture. Big units under central command could also serve as a lever for directing the agricultural labour reserve. This direction appears to be a point of paramount importance. Industrialization, as foreseen by the Five-year Plan, implies a heavy drain on the rural man-power reserve; it is bound, in a not too distant future, to involve the imposition of labour-saving working methods in agriculture to release labour.

It is a matter of speculation how the peasant population would react in case of coercive measures for establishing the *kolkhoz*. Under the conditions prevailing it would be very difficult and dangerous to attempt sabotage. Nevertheless if the measures were pressed home ruthlessly, resistance on the part of the peasants might cause a setback in agricultural production.

No signs of this turn of events are, so far, discernible. Hitherto the approach to land collectivization has been cautious. If a clash can be avoided, one has to assume that the agricultural programme will work and will yield certain results. The recovery in livestock, not yet complete, then will go on. In addition, there is plenty of room for improvement even in the elementary processes of agriculture; the effects of these improvements on yields may for a while easily outstrip the increase in domestic requirements caused by the growth of population. Yet there is another point possibly impairing export capacity in food: higher food consumption induced by improved nutritional standards resulting from the redistribution of incomes. However, the first wave of additional requirements can be supposed to have been satisfied. It can equally be supposed that this improvement was reflected in the export surpluses in recent years. Nutritional standards were the worst among agricultural

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APPENDIX

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Table of Conversion

1 kilogramme	=	2·205 lb.
1 quintal	=	220·5 lb.
1 metric ton	=	0·984 ton
1 metre	=	1·094 yard
1 kilometre	=	0·621 mile
1 cadastral yoke*	=	5,754·6 sq. metre
	=	1·42 acre
1 hectare	=	2·471 acre
1 sq. kilometre	=	0·386 sq. mile

* Cadastral yoke is the unit used in official publications; the farmers employ another yoke equal to 0·75 cad. yoke. In this study yoke refers throughout to cad. yoke.

In connexion with crops and agriculture, 1945–6, 1946–7, etc., denote periods from 1 July to 30 June. The crop 1946–7 means the one sown in 1946 and 1947, while reaped in the course of 1947.

The forint is reckoned at 50 to £1, being approximately the rate prevailing before the devaluation of sterling in September 1949 (47·31). 436

Table I

Production

Agriculture

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	1934–8	*1945–6*	*1946–7*	*1947–8*	*1948–9**
Sown area (1,000 yoke)	9,526	9,060	9,350	9,460	9,494
Reaped area (1,000 yoke)	9,400	8,440	8,900	—	—
Main Crops (in million quintal)					
Wheat	22·2	11·3	12·6	15·8	—
Rye	7·0	4·2	5·6	7·2	—
Barley	6·1	4·4	4·0	7·1	—
Maize	23·0	13·6	17·8	29·6	—
Potatoes	21·3	11·4	14·6	23·3	—
Sugar-beet	9·6	5·2	11·6	15·9	—
Livestock (1,000 head)					
Cattle	1,882†	1,007	1,223	1,841	2,004
Pigs	3,110†	1,152	1,717	2,792	2,820
Horses	814†	370	424	575	657
Sheep	1,629†	313	397	570	593

[241]

* Figures on crops not published.
† 1937–8.

Mining, Manufacturing Industry

Yearly output	*1938*	*1946–7*	*1947–8*	*1949*
Coal (1,000 ton)	9,360	7,750	9,860	11,500
Bauxite (1,000 ton)	470	250	400	—
Crude oil (1,000 ton)	43	640	500	—
Natural gas (1,000 cu. metre)	8,100	—	205,000	—
Iron ore (1,000 ton)	370	210	260	—
Steel (1,000 ton)	647	510	720	806
Cotton piece-goods (1,000 metre)	—	91,500	—	160,000
Woollen cloth (1,000 metre)	—	9,300	—	25,000

There have also been significant shifts in the absolute and relative size of allocations. In the first year the sums spent on building, excluding industrial construction, were nearly twice as high as budgeted. Manufacturing industry exceeded the budgeted sum by 50 percent, transport and communications by 28 percent, agriculture by 18 percent, mining by 15 percent. The final picture looks different. Manufacturing industry, including mining, tops the list with an excess of 84 percent. Next comes building with 58 percent and agriculture with 50 percent. In transport actual investments were 18 percent higher than budgeted.

The distribution of the sum total invested in the whole period of 29 months was the following:[15]

	Percentages of the total	
	Planned	Actual
Agriculture	30.4	31.6
Manufacturing industry, inc. mining	26.5	29.0
Transport and communications	25.4	19.0
Building	17.7	17.9
Others	---	2.5
Total percentage	100.0	100.0
(Total, billion forints)	(6.6)	(10.3)

It has to be noted that, as was pointed out above, roughly half of the investments officially listed under "agriculture" come properly under the other headings.

Agriculture

In agriculture the plan counted on an increase in gross output from 7.55 billion forints in the first year to 8.97 billion by the end of the third. The prewar value was 10.43 billion, the 1946-47 value 5.76 billion forints.

No startling changes were planned in crops and those scheduled were in line with the prewar policy which sought to decrease the total acreage under cereals, notably wheat, and to increase that under cash and fodder crops. A moderate decrease in the acreage of wheat, rye and oats was to be offset by a relatively smaller increase in the acreage under barley, corn, potatoes, sugar beet, and a much larger increase in the acreage under oil

15. The details of the investment program are given in Tables I and III in the Appendix.

seeds. The expected yields per unit of land were cautious estimates and were all lower than the prewar yields. At January 1947 prices the total value of field crops was to reach in 1949-50, 4.3 billion forints against 4.7 billion in 1938-39. In the first year only a 3.7 billion yield was expected.

Livestock, which had suffered more from the war than crop farming, was to yield 2.8 billion forints in the first and 3.9 billion in the third year, against the prewar 4.5 billions. This included the expected increase in livestock which, realistically, was to exceed the prewar figure and was to bring the cattle population from 1.1 million head in 1946 to 1.3 million in 1950 — milch cows from 604,000 to 780,000, horses from 399,000 to 630,000, both below the prewar figures. Pigs were to number 5.9 million, against 3.4 million in 1946 and 5.2 million in 1938.

Agricultural investments out of public funds were to include such activities as extending the acreage of irrigated land, the mechanization of agriculture, consolidation of the scattered strips of small holdings, soil improvement, the purchase of pedigreed breeding stock, the reconditioning of plant and livestock breeding stations, extending agricultural education, etc.

Considering the scope for improvements, the sums provided were small and, in view of the urgency of other tasks, it was questionable whether it was wise to give such high priorities to expensive irrigation schemes and the electrification of villages.

Due to unfavorable weather, crops in the first year did not come up to expectations. Although there was a 24 percent increase in output relative to 1946-47, achievement was below the modest goals of the plan. But achievement fell short of the plan even where it need not have done so. Cropping differed markedly from that planned. There were few crops where the acreage planted was not either considerably below or above that planned. Even the planned small changes in cropping ran counter to the natural predilections of the peasant farmers.[16] A rather puzzling result was that the increases in both livestock population and meat production were claimed to have exceeded their goals by over 30 percent.

What happened in 1949 is less clear, because agriculture is dealt with rather summarily in the Final Report and other information available. Crops reached, in the aggregate, 89 percent

16. Peasant farms tended to be self-sufficient and even quite small farms had a higher proportion of their arable acreage under bread grains than the larger estates. They did not go in extensively for commercial and fodder crops.

8: Schweng S-4,5 (no date) 1951 ECI Hungary ECI

of the mark set. However, this had been set at only 87 percent of prewar. Thus crops could be 77 percent of prewar, apparently due largely to the poor yield of corn and potatoes. The per unit yield of wheat was exactly as high as planned, 1.3 tons per hectare (prewar average over 1936-40, 1.48 tons per hectare); rye was slightly better than expected, 1.15 tons per hectare, the same as prewar.[17]

Against the poor results in crop farming, the livestock figures as reported are surprisingly good, especially in view of the fact that the plan did not run the full three years but only 29 months. The cattle population is supposed to have reached 2.1 million head which is 26 percent higher than the figure planned for 1950 and 10 percent higher than the prewar figure. The pig population was claimed to have increased two and a half times in the plan period, but no dates were given. Without them the increase is meaningless and no estimate of the actual size is possible because of the large seasonal variation. It was stated that at the same time there had been a 78 percent increase in per capita meat consumption. The number of horses increased more slowly than expected and was 74 percent of prewar, against the expected 78 percent.

Investments in agriculture, both direct and indirect, were budgeted at 2.0 billion forints in three years, 0.58 billion in the first year. In the first year actual investments exceeded the budgeted sum by 18 percent, largely because of the substantial private investments of farmers. Total agricultural investments in 29 months amounted to slightly less than 3.0 billion forints, 50 percent more than budgeted and the volume of investments was claimed to have been 34 percent greater than planned.

The most important result of the investment program was the establishment of 221 tractor stations with 3,800 tractors and a large amount of other agricultural machinery. Altogether some 4,500 tractors were added to the stock of 12,500. Other investments include the increase of the irrigated acreage by 15,000 hectares to a total of 26,000 hectares,[18] the setting up of sixteen stations for plant breeding and seventy-three stations for artificial insemination,[19] the building of 40,000 cubic meters of silos, and the reforestation of 59,000 hectares. As to indirect

17. For changes in the volume of aggregate output, see Tables IV, Va, and Vb.

18. Mainly for the growing of rice. Rice is now grown on 14,000 hectares, against 5,000 hectares before the war.

19. Sixty-two for horses, ten for cattle, one for sheep.

185 X 471 and business establishments employing more than ten people. It was stated that the measure was not intended to endanger the true small traders and artisans who were said to be valuable elements of society. However, deadly competition for the small shops was provided by the setting up of the state stores, which were given monopoly in the distribution of some goods, were free from many of the restrictions to which small shops were subject and received favored treatment from nationalized industry. At the same time, the policy followed in allocating government contracts, which now comprised practically all contracts of any importance, and the restrictions on credits slowly led to the withering away of the small craftsmen. Furthermore, every encouragement was given to artisans' cooperatives which were, in essence, a return to the workshops of the early period of capitalism. These artisans' cooperatives with their methods of primitive mass production of utility goods were a complete denial of the essence of craftsmanship. The large-scale nationalizations, together with measures directly restricting private practice, almost eliminated the independent professional class.

185 X 466 Parallel with these measures, the powers of the Minister of Building to control labor were greatly increased. The threat of dismissal for political reasons, institutionalized by decree in June 1948 and extended in February 1949, was increased by the tendency to look upon failure to improve output as a political crime and sabotage. Repeated adjustments of the piece-rate system, competitions and special drives led to constant raising of the standard output rates and required an ever greater effort on the part of the ordinary worker to try to keep abreast and maintain the level of his earnings.

185 X 474 241 Rumors of the impending collectivization of agriculture were at first most emphatically denied by all the Communist spokesmen. Yet, in July 1948, the Communist party announced its intention to press the collectivization of agriculture on a "voluntary" basis because the inefficient small units - a large proportion of which were created by the Communist-sponsored Land Reform of 1945 - impeded progress in agriculture. Soon afterwards, administrative measures, a change in the tax system, and the widespread persecution of the kulaks, encouraged the "voluntary" process by eliminating the richer peasants who were the main opponents of the reform because they had most to lose through it. At the same time every kind of assistance, financial and other, was given to the new collective farms established on the Soviet model. But in spite of all efforts collectivization made little headway and, at the end of 1949, the total acreage farmed by collectives was less than 4 percent of the acreage under crops.

percent each. In contrast to the Three Year Plan the new investment plan provides a reserve of 2.5 billion forints for unforseen contingencies, and 3.3 billion forints are set aside to finance work preparatory to the second Five Year Plan.

In the 1950 budget, 7.2 billion forints were earmarked for investments, that is, 45 percent of the total expenditure. The 7.2 billion forints are in keeping with the estimated total investments of 8.1 billion forints (calculated on the basis of uniform rate of increase of the national income, 10.3 percent, and uniform rate of investment, 21.4 percent of the national income). It seems that, as in the Three Year Plan, savings were supposed to provide the funds for the increase in inventories.

For purposes of comparison the allocation of investments under the Three Year Plan and the First Five Year Plan is summarized in the following table:[3]

	Percentages of Total		
	Three Year Plan		Five Year Plan
	Budgeted	Actual	Budgeted
Manufacturing	27	32	42
Agriculture[4]	30	29	16
Transportation	25	19	15
Building	18	18	14
Distribution	--	2	2
Other	--	--	11
Total Percentage	100	100	100
Total, billion forints	6.6[5]	10.3[6]	50.9[7]

Agriculture

The increase in agricultural production is set at 42 percent above the 1949 level. The volume of crops is expected to increase by 35 percent, the output of the livestock industry by 51

3. For details see Table III in the Appendix.

4. About half of the investments in agriculture ought to have been listed under other headings. The agricultural investments under the First Five Year Plan, given as the 16 percent, represent agricultural investments proper. With indirect investments the share of agriculture rises to 25 percent.

5. January 1947 prices.

6. Current prices. At January 1947 prices about 8.3 billion forints.

7. "Plan prices" which seem to be about 20 percent higher than January 1947 prices.

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percent. In the fifteen years of the interwar period (1924-25 to 1938-39) the gross value of agricultural production increased by 35 percent if valued at constant prices.[8]

The increases in average yields per unit of land necessary to achieve the contemplated rise in aggregate output are 13 percent for wheat, 27 percent for rye, 35 percent for corn, 30 percent for potatoes, 40 percent for sugar beets, 27 percent for sunflower seed, etc. As the expected, and even more, the actual yields of 1949 were all below prewar levels, the goals set are not excessive. In fact, with few exceptions, they correspond to, or are even below, the averages of 1936-40.

The yield of permanent pastures will be increased by 10 percent, that of orchards, vineyards and truck farms by 20 percent. The cattle population will be increased to 2.4 million head, the horse population to 750,000, the pig population to 5.6 million, and sheep to 1.6 million. This means reaching the 1942 level of cattle and sheep population. The number of horses and pigs would fall below the prewar level. In increasing livestock, priority will be given to state-owned and collective farms. Besides an increase in numbers, there will have to be an increase in yields. The average milk yield per cow is to be increased by 20 percent and the wool clip per sheep by 13 percent. Due attention is to be given to increasing the acreage under fodder crops to provide for the larger animal population.

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The increase in field crops is to be attained by large-scale mechanization resulting in better tillage, and by improved and up-to-date techniques applied in large units. The number of tractors is to be increased from about 17,000 at the end of 1949 to 22,800 in 1954. Of these, 19,500 will be operated by tractor stations, the number of which will be increased to 500. (At the end of 1949, there were 221 stations operating 3,800 tractors.) There is also to be a corresponding increase in other machinery. The use of fertilizers will be increased to 4.5 times the 1949 level.[9]

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Irrigated acreage (26,000 hectares in 1949) is to be increased by 68,000 hectares to 94,000 hectares. The irrigation project begun in 1937 will thus be about half completed. Serious effort is to be made to improve acid and alkaline soils, beginning with the improvement of 17,000 hectares of alkaline and 40,000

8. For volume of output see Tables III, IV, Va and Vb in the Appendix.

9. Production of superphosphate and nitrogenous fertilizers in 1949 was 157,000 tons against 80,000 tons in 1938. There may have been some exports, but most of the production was for home consumption.

9: Eppstein S-4 (no date) 1945 EC1 Hungary EC1

from each courtyard by a great fanfare on peculiar long trumpets of traditional shape. The swine, even more numerous, are usually in charge of an older man, but he, too, has his trumpet and his special call; and horse, cow or pig knows without error not only which tune he must obey in the morning, but also into which courtyard he must turn in the evening as the cavalcade proceeds down the village street, its guardian behind it, in a great cloud of dust. Only the geese, which are entrusted to the charge of little girls (the story of the goose-girl at the well surely originated in Hungary) are not woken by special music, which they supply by their own cackling. The communal pasture outside each village and the huge pond in the middle of it, with its geese and ducks, are common to nearly every Hungarian village throughout the country.

NATURE OF THE SOIL. There is much uniformity, too, in the cultivation. Huge fields of wheat or maize meet the eye everywhere. Nearly all the Hungarian soil is of the same type; a porous loess, which hardens in the higher areas to a dusty limestone, and crumbles in the flats into a loose sand. Through this there run comparatively few rivers, although those few—the Danube, the Tisza and their tributaries—are large and very important for the life of the country. Apart from them, water does not run in small streams, but collects in lakes and ponds, large or small, whence it eventually soaks its way underground to join the rivers. Thus in the plain it is rare to find a spring on or near the surface; on the other hand, almost anywhere

9: Eppstein S-4 (no date) 1945 EC1 Hungary EC

posed of only three or four streets, sometimes only one. The little white cottages stand along it at regular intervals; only in old villages where families have multiplied and land is short, one site will contain three or four cottages crowded together. All the cottages are usually much of a size, except for the houses of the village priest, the schoolmaster and the notary. The older cottages are built of sun-dried brick, and thatched; the newer ones are of fired brick, and often roofed with the uglier but more healthy material known as 'eternit'. Most villages also contain one or more larger houses, the houses of the local squires or, as they call themselves (by the English word) 'gentry'. Every third or fourth village boasts a larger 'castle', the seat of the local 'magnate', prince, count or baron so-and-so. Sometimes these 'castles' face right on to the village street; more often they are set back in rather dusty parks. Each has a portico in front of it, with a coat of arms carved on the architrave; but like the cottages, they are usually one-storied and, like them, usually end at the back in farm buildings.

West Hungary is a pleasant country, in places well wooded and, although no hedges divide the fields, the sunken, dusty farm tracks, like deep Devonshire lanes, are often enclosed with acacias which meet over the head. A reasonable rainfall comes from the west, giving good crops, and the southern slopes of the hills are clothed with vineyards yielding a wine which is light (not so light as it seems) but very palatable. The country is essentially rural and the population has long been almost stationary; in many places, indeed, the

9: Eppstein S-4 (no date) 1945 EC1 Hungary EC1

flimsy mud-built houses. It is only recently that the work, not only of regulating the rivers against flood, but of irrigating the plains against drought, has been seriously undertaken. With modern methods an intensive cultivation, in particular of fruit trees, was begun. Through it some centres, such as Kecskemét, have achieved considerable prosperity.

THE BOUNDARY HILLS. The plain is bounded by hills. In the south the plain reaches right down to the frontiers of historic Hungary, and the first hills are those of Serbia. In the north, however, the Trianon frontier still left Hungary a certain amount of hilly country. This comes down close to the capital itself north of Budapest; indeed, the Danube runs here through what is almost a gorge, with the ruins of old castles overhanging it. East of Budapest the plain reaches further north, but there are still considerable hills, the summits of which are covered with beech forests and their lower slopes with vineyards. Here, too, are some noteworthy towns: Miskolcz and Diosgyör, centres of industry, and Eger, seat of an archbishopric, with the remains of an old Turkish fortress and a Turkish minaret still to be seen. Beyond this again comes another group of isolated hills, which produce the famous Tokaj wine, the richest and most powerful of all the Hungarian wines, of which it is said that it is 'the king of wines and the wine of kings'.

The mountains which enclose the Alföld on the east are those which form the boundary of Transylvania, a great table-land encircled north, east

9: Eppstein S-4 (no date) 1945 EC1 Hungary EC1

433 of national self-defence—that industrialization has
439 been encouraged. The Hungarians themselves now claim that their country occupies a middle position between the industrialized West and the agricultural East. To the latter it exports, in normal times, a certain amount of industrial products in return for industrial raw materials, oil, and the few agricultural products in which it is not self-supporting. The chief of these is maize for fattening livestock. Hungary's exports to the West, however, are still overwhelmingly agricultural and imports from the West almost entirely industrial.

241 **PRINCIPAL CROPS.** Of the agricultural products, wheat is still by far the most important, especially for the export trade; whether Hungary is well or badly off in any given year still depends largely on the quantity and quality of the wheat harvest and the price of wheat on the world market. July, when the wheat is being reaped and threshed, is the climax of the year, when it is difficult to get Hungarians to attend to any other business whatever. A good deal of rye, barley and oats is also grown, rye being largely used for bread and barley for feed or brewing. In August the fields are full of maize, which is chiefly used for fodder but is also eaten on the cob. Potatoes and roots are becoming more important. Hungarians do not eat many fresh vegetables, and leave market gardening, except for onions, mainly to immigrant Bulgarian gardeners. Lately, however, the cultivation of fruit has made much progress, especially in the sandy districts of the Alföld. There is a considerable export trade in fruit, raw, pulped or canned; from

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some fruits, especially peaches and apricots, excellent liqueurs are distilled. In recent years, largely under the pressure of military necessity, the cultivation of industrial crops has made much progress.

THE VINEYARDS. Wine is produced in almost all parts of Hungary, often in very small peasant vineyards and by rather primitive methods. It is said that one family in every four of the entire population owns a vineyard. After the wheat harvest, the vintage is the great month of Hungarian agriculture, when half the population is out of its houses, gathering the grapes and pressing them in the tiny whitewashed huts which each family owns in its vineyard, perhaps a mile or so out of the village. The finer wines, which are exported, are cultivated in larger vineyards owned by the Crown, monasteries, or big landed proprietors.

LIVESTOCK. Livestock was at one time even more important than wheat, which only in the last century replaced cattle as the chief produce. In recent years, stock-breeding has regained a good deal of its importance and Hungary has now a large population of cattle and swine. Hungarians are rather heavy meat-eaters, even the poorer classes consuming a lot of bacon and lard. There is also a big export trade in cattle and pigs, live and slaughtered, and in various animal products, such as hides and bacon. Horses are bred for draught purposes, and the finer breeds also for sport. Sheep are bred less extensively: Hungarian wool is not of high quality, and the population does not take kindly to mutton as a dish.

Poultry, including geese, are kept on a very ex-

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CHAPTER IV

THE SOCIAL STRUCTURE OF THE COUNTRY

1. *The Countryside*

In spite of the industrialization of recent decades, the economic and social life of Hungary is still built up round its agriculture, and its most important problems are still those of its agricultural population. Those problems are also the most difficult; for whereas industry, when it began to develop in the nineteenth century, was able to make something of a clean start, agriculture was burdened with a heritage of medieval traditions and vested interests.

UNEQUAL DISTRIBUTION OF LAND. The agrarian population of Hungary still lives under conditions which differ, to their disadvantage, from those prevailing in most other countries. Its friends, who are few, call the system 'patriarchal', while its enemies, who are many both inside and outside Hungary, describe it as 'feudal'.

In the strict legal sense, the term feudal is inaccurate, since the inequality before the law and the restrictions of the personal liberty of the peasant, which existed in Hungary, as almost everywhere on the Continent, up to the nineteenth century, were abolished in 1848. If, however, the word is used in a broad sense, it is not an unfair description of rural conditions in Hungary, the most

9: Eppstein S-4 (no date) 1945 EC1 Hungary EC1

centuries. In the Great Plain, which was largely resettled after the Turkish wars, the proportion of yeoman farmers is much higher, and in the south and south-east, where the landlord class was wiped out altogether in the wars and the country completely recolonized, most of the population consists of peasant free-holders. These are, however, very largely Germans, the descendants of colonists brought in by the Habsburg Emperors. It is a little-known but important fact that of all the nationalities in the old Hungary, it was the Magyars among whom the largest class of 'landless proletariat' was to be found. Thus, even if the landlords in the territories left to Hungary by the Treaty of Trianon had not successfully resisted the reforms carried through against their class in the areas assigned to Czechoslovakia, Rumania and Yugoslavia, conditions in the contracted kingdom would still have been particularly difficult. As they did resist any large-scale reform, those conditions have to-day reached a stage of acute crisis. A small measure of land distribution was indeed carried through in 1920, but on quite an inadequate scale.

PROPORTION OF LANDED TO LANDLESS. According to a census taken in 1935, four and a half million people in Hungary were then 'engaged in agriculture'. Of these, about one-third owned or leased enough land to support themselves and their families. These ranged from the great landowners, with their thousands or even tens of thousands of acres, through the small country gentlemen or prosperous yeoman farmers, down to the smallholders who could manage to make ends meet.

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241 423 162 Another third owned or leased some land, but had to make up their earnings from it by work during part of the year. They were thus in fact living below the poverty line. The remaining third had nothing at all. Some of these landless men are farm-hands working on big estates, in some cases with regular jobs which gave them a living. A farm-hand in Hungary is hired by the year, usually in March, and sometimes, of course, stays on the same estate all his life. Others depend entirely on casual labour, or on seasonal labour during the harvest months, for which they often hire themselves out in regular gangs, receiving the bulk of their pay in the form of a share of what they reap or thresh: this they take home to their families who live on it, through the winter months.

241 423 **THE WORKING OF THE LARGE ESTATES.** It must be explained that the big, and even the medium estates in Hungary are usually worked as units. The division of them into smaller leaseholds, let to tenant farmers, which is so common in the British Isles, hardly exists in Hungary. The chief exceptions are found on the huge municipal estates which belong to some of the towns of the Great Plain, and to a lesser extent, on some of the estates belonging to the Bishops and Religious Communities. Otherwise, each single estate is farmed as a single concern by the owner, with the help of managers and bailiffs, if it is large enough, and all the persons employed on it are in the position of labourers, although each of them often is given a little allotment for himself, as part of his wages. The big operations of reaping and

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threshing, etc. are done centrally. Many big owners, of course, own several estates, and often lease some of them.

Manual labour is very extensively used, even on the largest estates, which employ many more labourers than modern farms of the same size in England and, correspondingly, fewer machines. This is partly due to habit, partly to shortage of capital which has prevented the landlords from buying machinery. But it is also due to deliberate government policy; for the landlords were encouraged to go on using manual labour in order to save the farm-hands, for whom no alternative employment could be found, from falling into complete destitution. This policy was necessary, since there was not enough industry to absorb the surplus people from the land, but it naturally added to the difficulties of Hungarian agriculture, since, however low the wages that were paid, they yet formed a heavy charge on the landlord's balance-sheet. Since the outbreak of the present war, this had led to a new difficulty. Much of the labour has been drawn off for military service or by the needs of munition industries, but Hungary has not been able to manufacture, or to buy from Germany, the machines necessary to replace the old hand-labour. Agriculture has therefore, been suffering from a severe shortage of labour, which has affected the whole of production.

THE STANDARD OF LIVING. The living standards of the smaller peasants and of most of the agricultural labourers are extremely low. Their cottages look picturesque, but their walls of sun-dried

252 required, and each person brings his or her own implement. They cannot turn up with any odd one in such a gathering, so each person brings proudly a decorated one, just as girls only take to the spinnery the distaffs which their lovers have so beautifully carved.

773 The great importance and distinction of bread makes it necessary that it shall be duly honoured when still in the form of wheat, all the more so as the Creator himself carved man's face on every ripe grain. According to a Legend, when God had turned man out of the Garden of Eden, he ordered him to search for the grain bearing his image, to grow it and work for it with the sweat of his brow, «because, although he had heard that it would mean death, he forgot and ate of the forbidden fruit».

788 The blessing of the wheat crop by the Church, which takes place on the day of Saint Mark, has therefore a great importance and meaning in Hungarian life. It is at the end of April, there is hope of life and the young crops are green like untouched promises. The people go in procession to the chosen wheat field where, under God's free sky, the future bread is blessed. Each person returns to his home with one ear from the field which has been blessed, — with a promise of new hope. It is blessed, so that «fog shall not strangle, hail shall not destroy, storm shall not trample, fire shall not consume the only hope of the poor». Later on the Calvinists at their communion thank God with fresh bread for having watched the growth of the crops. In some districts ears picked from the blessed field are supposed to have a healing, increasing or magic effect, and therefore they are greatly esteemed.

● 241 527 But let us get down to work! It is Peter and Paul's day, the stalk of the wheat is torn, and when the wind touches it, it undulates in golden waves. Poor people do the reaping themselves, helped by their family. Those

241 who cannot manage all the work themselves engage reapers
527 and in some places make agreements with their workers as early as the New Year. Or in ancient fashion the owner counts on the help of his friends and the assistance of kind people who help all those in trouble. Of course one kindness deserves another: while working the reapers often rest; though their's is no real rest, because during that time they dance a few turns, and not only for the dance, but even for the work, the gipsy band plays gaily! Now-a-days this only happens in Transylvania, as the advance of time has modernized this work too: it has become quick, hurried, businesslike, mechanized. The poor people, who have very little land or grow very little wheat, organize themselves into reaping bands, who look for work and go
527 to the bigger estates to do the reaping. In the parts of the country where the love of tradition has not completely died out we can still see very old, amusing and gay reaping customs. — When the landowner appears for the first time near the reaping ground the reaping girls and women meet him and tie him up with a straw rope. He is only released for a ransom! All over the country the feast which celebrates the end of the reaping has given rise to many customs. At the reaping we meet straw wreaths and peculiarly shaped, beautifully arranged wheat bouquets. In most places only the sons and daughters of the farmer, or his servants, bind the wreath according to ancient custom and attach it to the frame of a mirror or a picture if it is square, or hang it on a cross-beam if it is round.

In Transylvanian Calvinist churches it is the custom to make a biggish wheat wreath on the occasion of taking new bread. It hangs from the ceiling just over the Lord's table until next year's new bread.

In certain places it is still the custom to carry the reaping wreath ceremoniously home to the farmer. The

11: Karolyi E-4, 5 (no date) 1931? EC1 Hungary EC1

its climax in the mystic dance round St Ivan's fire. In the open fields, under the stars, round St Ivan's fire made of fragrant woods and herbs, lovers are "sung together". There are a great number of St Ivan's songs in which this typical *motif* returns:

May God send a slow shower
To wash these two together,
Like two golden twigs . . .

Popular belief attaches much importance to this fire-dance, which is the first of the many acts in the developing of friendship and love between boy and girl which will come to a happy end in the merry marriages of Carnival. One after the other the girls jump across St Ivan's fire, while the rest, dancing round the fire, utter the name of the girl who is jumping, together with the name of the boy whom they know that their friend has taken to her heart. If the jump is successful, there remains no doubt that the desired union of two lovers will come true before the winter is over. Often this dance is an all-girl affair, as if to assure that every girl may unveil her heart's desire without embarrassment. Of course, the boys learn the happy news early enough. . . .

Soon after, on the twenty-ninth of June, St Peter and St Paul's Day, the wheat-harvest begins. From the point of view of the Hungarian peasant this is the most critical and, everything considered, most important event of the year. To understand the magnitude of the event, it should be remembered that in the Hungary of today, as always in the past, the mainstay of the people has been the yield of the wheat-crop. The lives of millions of farmer-families, countless farm-hands, and share-croppers depend upon a bountiful harvest, and it is

TI: Karolyi E-4, 5 (no date) 1931? EC1 Hungary EC1

241 decided by the yield of the crop how the winter purchases
527 and the many prospective marriages will turn out.

In order that all who need it may share in the
[407] blessings of the harvest, the use of harvesting machinery is not tolerated in Hungary. The role of the labourer has remained an essential part in cutting the crops, and thanks to this, one may still see and admire the
[412] spectacle of swinging scythes working their way into the fields, felling the swaying wheat into rows that follow the undulating line of valley and hill. After the men come the plucking girls, whose deft and tireless hands bind the wheat into sheaves and pile them up into huge cross-like formations. Harvest must end in the shortest possible time, because the ripe ears easily spill the heavy grain, and it would be a bitter thing to see the price of life falling to waste. From daybreak until the last faint rays of the declining moon harvesting goes on, and once the crop is cut the sheaves are piled upon the carriages and taken to the farmyard to be threshed and preserved in the granary. It is a wonderful sight to watch the immense loads pass by, drawn by a double yoke of long-horned Hungarian oxen, while the slanting rays of the setting sun throw a halo of golden dust round the glittering mass of fresh-cut wheat.

527 As soon as the last of the wheat-crop has been cut, the harvesters prepare for the harvest festival — a feast vibrating with the anticipation of rest and recreation — a ceremony permeated with satisfaction and gratitude, to be followed by the merriment of unbounded celebration. Of the longest stalks of unthreshed wheat a harvest wreath or crown is woven, or, in some regions, a monstrance, a tower, or a bell. The harvest wreath is taken home from the fields hanging on a pole which is placed on the shoulders of the prettiest girls. It is then presented

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neighbors, aimed at self-sufficiency. Industry was granted additional subsidies in the form of loans, cheap factory sites, and other measures. Together with low world market prices this policy was responsible for the depressed state of Hungarian agriculture from 1928 until about 1934, but all subsequent governments adhered to the industrialization program and frequently carried it further.

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The runaway inflation of the mid-twenties disrupted the country's finances, wiping out individual savings and ruining many companies.

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During the early twenties the Hungarian Oil Syndicate (an affiliate of the Anglo-Persian Oil Company) started explorations in western Hungary while the government carried out explorations east of the Danube. However, the Hungarian Oil Syndicate lost most of its exploration funds during the period of inflation and this coupled with unsuccessful drilling operations forced the company to abandon operations and pull out of Hungary. The government was also unsuccessful in this period, its only discovery that at Bükkszék, which resulted in the production of only 92,500 barrels over a thirteen-year period, much of it at an actual financial loss.

In 1933 the government granted a five-year concession for all areas west of the Danube to Eurogasco (an affiliate of the Standard Oil Company of New Jersey) in return for a pledge that $300,000 would be spent on prospecting and that at least eight wells would be drilled. Eurogasco's activities led to the discovery of the first commercial oil field in 1937 situated at Lispe, Zala County, near the old wells of the Mura district which were ceded to Yugoslavia in 1920. In 1940 a second field was developed nearby, at Lovászi. An eight-inch pipeline connecting the Zala fields with Budapest was completed in 1941. In that year Hungary reached self-sufficiency in oil production, and her 1943 output of 838,000 tons of crude contrasted with a (controlled) civilian consumption of only about 321,000 tons of refinery products (about 380,000 tons of crude equivalent). Table VI gives the civilian consumption for the years 1940-1943. More than half of the pro-

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[Cf. page 88, category 116--Analyst]

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473 duction was thus available for the armed forces or for export to Germany.

A new operating company, the Hungarian-American Oil Company (MAORT), a subsidiary of Eurogasco, obtained a forty-year concession soon after the Lispe discovery under the same arrangements as had been made with Eurogasco whereby the royalties to be paid to the government were fixed at 15 percent of the crude oil and 12 percent of the marketed natural gas production. MAORT achieved such successful results that in less than six years it became Hungary's third largest industrial enterprise and, considering the indirect effects, probably the largest single corporate contributor to the national income.

241
439 During the late thirties the economic aspects of agri-
652 culture improved due to ever increasing agricultural exports to Germany under the Hungarian-German trade agreements, even though protection of industry remained the official policy of the government.

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131 In 1938 Hungary began to rearm. With Axis support parts of the territories lost in 1920 were recovered from Czechoslovakia in 1938 and 1939, from Romania in 1940, and from Yugoslavia in 1941. As a result, the country's area increased from 93,073 square kilometers in 1938 to 170,869 square kilometers in 1941 with a corresponding increase in population from less than 9 million to 14.6 million. In 1941 Hungary entered World War II on the German side.

433
464 Rearmament, the recovery of about half of the pre-
241 Trianon territory, and finally war gave a tremendous impetus to the economy. Industrial employment rose from 289,000 in 1938 to 392,000 in 1943 (excluding the recovered areas), and, for the first time, the value of the industrial output surpassed the value of agricultural production.

722
434 Government controls gradually increased. The
185 allocation of raw materials and the rationing of food and gasoline were introduced, and for the first time in Hungarian history the government embarked on large-scale economic planning.

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The "Billion Pengő Plan," officially known as the Five-Year Plan of 1938, was primarily a result of military considerations. Originally calling for an investment of one billion pengős, it was repeatedly revised upward until it reached 4.5 billion by 1943. Roughly three-fifths of the total funds were devoted to rearmament and to the heavy industries, while transportation and agriculture received one-fifth each. The plan was financed by a progressive capital levy and by government borrowing. It was carried out through the existing ministries by simply expanding their activities. A Ten-Year Plan for Agriculture calling for the investment of 100 million pengős annually was launched in 1942, but wartime dislocations prevented its realization.

By the spring of 1944 the power, aluminum, chemical, and oil industries had been considerably enlarged. The total Hungarian refining capacity was estimated as 3.5 million barrels annually before the territorial losses of 1920; as 1.5 million barrels in 1920; and was 3.2 million barrels in 1940. In contrast to this relatively modest development, by the spring of 1944, the total capacity had increased to more than 10 million barrels, only 710,000 of which were from refineries located in the temporarily recovered areas. The new plants at Pét and Szöny, which were built by the government within the framework of the Five-Year Plan of 1938, had a combined capacity of 3.6 million barrels; these plants alone considerably exceeded the total 1940 capacity.

During World War II numerous concessions were granted to German and Italian as well as domestic oil companies in the areas east of the Danube and in the recovered areas. These groups carried out extensive geophysical surveying and a few test wells were drilled. However, it was only in the Mura district, close to the Hungarian Zala fields that commercial discoveries were made. Small-scale production began in 1943. Two years later, in 1945, Yugoslavia recovered the district once more.

At the end of World War II the economy was once more at a standstill. In 1945 agricultural production did not reach one half of prewar production, while industrial output was only a fraction of that of 1938. Of 4,341 factories

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While mechanization in agriculture progressed, 211 241
new tractor stations being set up and 4,500 tractors added 407
to an existing stock of 12,500, the plan fell short of its goal 433
in the agricultural sector, with the exception of livestock 185
which reached the prewar level. Crop production in 1949
reached only 77 percent of prewar, a near disaster.

In mining and metallurgy the plan aimed at 38 per- 316
cent above the prewar level. It called for an output valued 327
at 1.5 billion forints compared with 1.2 billion in 1938 and 328
an estimated 2.0 billion in 1943/44. In 1949 Hungary pro- 433
duced 11,844,000 tons of coal and lignite, 293,000 tons of iron ore, 428,000 tons of pig iron, 850,000 tons of steel, 561,000 tons of bauxite, 17,000 tons of alumimum, 45,000 tons of manganese ore concentrates, and smaller amounts of copper and lead ores. With the exception of oil and a few other smaller items the plan was reached or surpassed.

The output of power ran about 20 percent ahead of 377
the plan and reached 2.36 billion kilowatt-hours in 1949 433
compared with 1.4 and 2.1 billion kilowatt-hours in 1938 and 1943 respectively.

The gross output of manufacturing, excluding elec- 185
tricity, was to be more than doubled to a level of 16.5 bil- 433
lion forints in 1949. While it was officially claimed that the plan was overfulfilled by 21 percent, which would put the value of the 1949 manufacturing output (including electricity) at 20.8 billion forints, this claim is definitely too high and should be revised downward, to perhaps 14 billion forints or about 1.2 billion dollars.

With the exception of the leather industry it was claimed that the output of all others exceeded the 1938 level by margins ranging from 12 percent in textiles to 112 percent in engineering in 1949. Nothing was said of the re- [454]
fining industry. A drastic shift to investment materials at the expense of consumer goods is apparent.

Prior to the end of World War II Hungarian indus- 382
try had used relatively large quantities of fuel oil. Reconstruction and expansion during the plan period suggest

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382 that industrial demand for oil reached at least the wartime peak, and very probably exceeded it.

185 382 497 In transport the plan called for the restoration of prewar capacity with a few improvements added and imposed no insatiable demands on the oil industry. No dieselization of locomotives had been carried out before the war, and none was scheduled by the plan. In 1948 the Hungarian National Railroads used only 1,740 tons of oil, compared with 1,584,000 tons of coal and 33.24 million kilowatt-hours of electric energy.

398 In the final plan report it was mentioned that there were "fewer" passenger cars in 1949 than the 18,900 listed in 1938. The number of buses, however, increased 50 percent from 700 in 1938 to presumably 1,050 in 1949. According to similar calculations, there were 9,500 trucks in 1949 compared with 3,800 in 1938.

362 374 As no appreciable quantities of oil were used for the heating of private homes the 120,000 cottages built in rural areas during the plan period had no effect on oil consumption; and the total number of new apartments built in two and a half years in urban areas was only 5,200 compared with the prewar average of 10,000 annually.

464 [316] Employment in mining and manufacturing (excluding handicraft) rose from 330,000 in 1938 to 443,000 by the end of 1949 but was still below the 1943 level of 470,000. Of the 1949 figure mining accounted for about 75,000 as [489] compared with 49,000 in 1938. There were very marked [331] increases in the transportation and building industries, each employing about 120,000 persons.

241 Despite the impressive increase in industrial strength in the years 1938-1949, Hungary remained an essentially agrarian country. Agriculture remained by far the most important single industry, employing an estimated 1,960,000 persons, or 46.4 percent of the working population.

000 Operations in the oil fields had been little disturbed

161 This trend ? was aggravated by the fact
458 that Hungary was such a densely populated state. The
241 density of her population amounted to almost 100 people per square kilometre. Due to the low agricultural prices prevailing generally in the world, to the keen foreign competition and to her dependence upon the exportation of raw products it was almost impossible adequately to maintain the agrarian population by the cultivation of the soil.

728 While her old Austro-Hungarian market of 58 million
439 people was reduced to a market of 7·5 million, she was
652 burdened in addition with large foreign debts which could only be paid by agricultural exports. Owing to political considerations, the surrounding countries, instead of absorbing the Hungarian surplus products, boycotted her during the early post-war years. Added to this, the economic and other restrictions of the peace treaty made it impossible for Hungary to pursue an independent economic policy serving the true needs of the country. Not until eight years after the end of the first world war was the Government able to introduce an economic policy (industrialization, protective tariff system etc.) which could meet the challenge of the density of population and prevailing unemployment.

728 The difficulties of the post-war years were aggravated
464 by the existence within her borders of hundreds of thousands of refugees from former Hungarian territory. Our educated classes had grown numerically so great that it was practically impossible to find places for everyone in
652 the administration and economic systems. Millions had
185 to be spent on measures serving solely charitable purposes out of the proceeds of production and out of greatly decreased state receipts, which fell off as a result of the effects of the war. Therefore, for the first few years, no

? [i.e., a reversion to more primitive conditions -- Analyst]

camps and by supplying clothing and shoes to the needy members. As all young men are members it is the most wide-spread organization in the country both from a national defence and social welfare standpoint.

III. AGRARIAN SOCIAL POLICY.

In the first decade following the Treaty of Trianon social conditions in the rural districts deteriorated in consequence of the changed economic structure of the country, which was aggravated by the following conditions. The supply of labourers far exceeded the demands made by diversified farming, the apportionment of the land in certain districts was very unequal, the distribution of the rural population varied greatly and the ranks of the rural proletariat were enormously increased.

Fifty-two per cent. of the Hungarian population is engaged in farming. Two thirds of this number (3 million including their families), were farm labourers and small farmers who had to supplement their meagre incomes by working for wages on larger farms. The density of the rural population was 59 persons per square kilometre, twice as much as the density of the Danish and French rural population and decidedly more than that of Germany. It goes without saying that the density of the agrarian population in Eastern Europe is much less than in Hungary.

In a less accentuated form the agrarian problems of present-day Hungary are the same, since the re-occupation of former Hungarian territories hardly altered the situation. The land reforms carried out by the Succession

241 States during the past twenty years aggravated rather than
728 improved the position of the Hungarian agrarian elements in their midst.

241 The density of the rural population and the ratio of
425 the farmers to the rest of the community proves definitely that this fundamental social problem cannot be solved merely by dividing up the land. Nevertheless important steps have been taken in Hungary in favour of dividing the land more equally, and these on the whole were more far reaching than in the surrounding states. Under the land reform of 1920 more than one million Hungarian acres of arable land were distributed, and in connection with this reform 260,000 building lots were made available for the needy rural population. In 1936, 1940 and in 1941 other land reform measures were introduced in Parliament. Up to 1942 the following figures illustrated the division of the land :

Through state activities in this field 1,400,173 Hungarian acres (about 1,950,000 English acres) and 456,757 acres through subdivision by private concerns were distributed. In the course of the land reform of 1920, 1,045,628 Hungarian acres, and the Land Settlement Act of 1936 354,487 Hungarian acres were allotted. The almost 2 million acres divided up equals 67·5% of the estates of over 1000 acres in private hands, and is considerably more than all the arable land of these estates.

The number of the small farms in Hungary is constantly and rapidly increasing and this process has not been stopped but is being stimulated by intensified political
241 activity. In 1935 the distribution of arable land according
423 to the size of the farms compared with Germany and Italy was as follows :

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241 423

	Total of farm land, hectares	Farms less than 50 hectares area	%	Farms more than 50 hectares area	%
Germany (1939)	53,209,000	28,690,000	53·8	24,519,000	46·2
Hungary (1935)	9,105,000	4,931,000	54·2	4,174,000	45·8
Italy (1930) ...	26,251,744	15,342,691	58·5	10,909,053	41·5

Since then the situation has been changed abroad and in Hungary as well, and a decided trend is evidenced in Hungary in favour of small holdings.

Laws concerning Jewish property.

425 523

The laws concerning the economic position of the Jews in Hungary augmented this trend. Under the first law 820,000 acres of farm land owned by the Jews had to be registered with the state and this area of land will be increased by 500,000 acres of forest land to be registered under the second law. Instructions were given that the title of approximately 400,000 acres out of the 820,000 should be transferred. Not only agricultural but national and social aspects will be served by the adjustment of Jewish property rights in estates.

425 241

The Hungarian agrarian policy, making use of the experience gained from the first land reform, is not swayed by the battle-cries of the demagogues demanding the distribution of the land at any cost, but is striving to create as many financially strong agricultural units as possible and to raise the living standards of the rural population. The discernment of the true needs of the agrarian population made the Government realize that the problems of the rural population cannot be solved by any one occas-

425 sional reform, but only by carrying out a continuous and
241 progressive programme.

The System of Protected Ownership.

241 The greatest blemish on the economic and social
426 structure of the agrarian community was the heavy in-
458 debtedness of the farmers. During the prosperous years after 1927 with their favourable prices and ready market, the farmers contracted extensive debts for making capital improvements in their land. The precipitous drop in farm income due to the financial crisis of 1931 left some of the farmers unable even to meet the interest payments on their debts. Wholesale foreclosures threatened, and the world-wide depression barred any hope of tens of thousands of farmers remaining secure in their tenure without outside help.
241 The Government, fully cognizant of the danger threatening
426 them, came to their rescue by first reducing the interest rate
652 on farm debts and then by prohibiting foreclosures. When these measures were found to be insufficient, the Government created the system of 'protected ownership' Under this system the interest payment relief and prohibition of foreclosures were continued and the Government also made provision for the definitive settlement of farm debts.

The small farmers were the ones who reaped the greatest benefits from this system. Among other grants-in-aid the Government paid gratuitously part of the short term bank debts of those farmers who cultivated less than 20 Hungarian acres of "protected" land. This was done before the general settlement of the farm debts took place, which covered these farmers also. During this settlement the Government assumed as a book debt that part of the farmers' indebtedness which was in

excess of their registered yearly income multiplied by forty. The owners of farms of less than thirty Hungarian acres received further aid by having their short term indebtedness under the above limit converted into long term debts repayable in ten years by annual instalments which did not exceed 4·5% of the outstanding amount. Another regulation favoured the owners of less than fifty acres of land by releasing them from any joint obligation which they undertook in the interest of a third party. The protected ownership system proved so successful that the financial position of the protected owners became strong enough to enable them to repay their debts in part or in some cases in full. When the debtor made payments on the capital borrowed, the Government awarded him an amortization grant. The amount of this grant was 10% —15% of the capital repaid by the larger estates and 20% by farmers owning less than ten acres.

The legal measures regarding protected ownership substantiated in every respect the social ideals upholding the interests of the small farmer. In order to verify this statement we give the following figures:

In Hungary the majority of the 78,000 farms covered by the protected ownership system were farms of less than twenty Hungarian acres. The number of the latter reached almost 69,000 and were owned by almost 120,000 people. If we take their families into consideration it means that over half a million people benefited by the system. To sum up: the protected ownership system saved from ruin the means of livelihood of half a million people, because if the Government had not come to their aid this multitude would have been added to the numbers of the landless.

Protection of the agricultural labourers.

745 In spite of all the difficulties inherent in the years
241 of depression following the first world war, the Government introduced social welfare measures which will have their beneficial effects on the welfare of the agrarian population for a long time to come.

465 These measures were taken by the Government as
468 far back as 1923. Act XXV of 1923 laid the foundation for the regulation of minimum wages for farm labourers, another law (Act XXIV of 1923) regulates the legal procedure in wage disputes, a third law (Act XI of 1923)
[476] secured subsidies for the co-operative societies of farm labourers. The interest of the farm labourers under contract was promoted by Act V of 1933 in a marked degree by regulating the forms of contracts.

Minimum wages.

465 Since the minimum wage act of 1923 only regulated
241 the wages of day-labourers, in 1940 a new law was enacted which extended the benefit of minimum wage legislation to all kinds of farm labour. In conformity with the provisions of this law the minimum wage standards are fixed in each county separately according to subsistence standards, value of labour and working conditions prevailing in the county. Care was taken that laws enacted for the protection of labour should be enforced. To this end the agricultural labour inspection bureau was established, which is entrusted with the task of enforcing the provisions of the law.

Employment bureaux.

464 At the time of the establishment of the labour in-
241 spection bureaux the state modernized the agricultural

labour exchange offices. In the forty years of their existence these exchanges did valuable work and their efficacy was greatly increased by their reorganization and by appointing labour inspectors to their staff. Under the new system 100,000 labourers were provided with jobs in 1940 and more than 164,000 in 1941. The activities of the labour exchanges have somewhat diminished lately on account of the war-time shortage in labour, but the demand for their services will increase in the future. The present organization is able to equalize the shortages in agricultural labour existing in some places and the over-supply in some others while impartially observing the true needs of the labour forces.

Social insurance.

The establishment of the social insurance system for the agrarian population and the adequate protection of their interests depended on the producing capacity of the country and was affected by the limited possibilities of the years of depression. The various branches of social insurance covering agricultural workers were established as soon as the depression was eased. In 1936 the retirement pension system for farm overseers (Act XXXVI), in 1938 the old age pension system for farm labourers (Act XII), and in 1939 widowhood benefits (Act XVI) were established by law and in the meantime important new bylaws regulated and increased the services of the forty-year-old accident insurance system.

OMBI.

Two institutions are responsible to-day for the social insurance of the farm labourers. One of them is the OTI,

which is responsible for the sickness insurance of the agricultural labourers from the reoccupied northern territories, and the other is the National Agricultural Insurance Board (Országos Mezőgazdasági Biztosító Intézet), which insures the agricultural clerical employees against old age, disablement and accident. The compulsory insurance of the farm labourers against accidents and old age is also under the OMBI. The most important innovation in the early 'thirties was the extension of the old age insurance system to cover agricultural labourers and their widows. When the old age pension system was founded, the right to participate in its benefits was not made subject to the payment of contributions for a certain period, consequently by 1940 nearly seventy thousand farm labourers had received such benefits without having paid anything in contributions.

The compulsory accident insurance of the farm labourers has been in force since 1900, but applied to only a relatively small group of the labourers. Since the system was reorganized the number of insured rose rapidly to nearly half a million.

Agrarian Family Welfare.

As a result of economic and financial difficulties referred to above, the plans of the Government for agrarian social welfare could not be implemented until the late 'thirties. However, in 1940 an institution was formed which deserves special attention both for its scope and its novel features.

ONCsA.

The new institution, the National Folk and Family Protection Bureau (Országos Nép- és Családvédelmi Alap), was established by Act XXII of 1940. Its object was to

Rural housing.

Among the manifold activities of the National Folk and Family Protection Bureau the foremost was the assistance of large families to build their own homes. With the financial help of the Bureau 5410 simple but spacious houses have been erected in typical Hungarian style up to date. Besides this 194 families were helped to buy new and larger houses and 2169 families were assisted in renovating their homes. The amount spent by the Bureau on its housing activities already exceeds 40 million pengős. When evaluating the Bureau's work it should be taken into consideration that its building activities have commenced during the serious war-time shortage of building materials. The project at present is not only continuing but is expanding to reach ever wider circles of the population. The post-war plans of the Bureau call for the erection of 2000 more new houses.

Farm tenancy.

Another important branch of the activities of social welfare societies assists the impoverished large agrarian families in buying farms and setting them up in farm tenancies. In this respect the social welfare organizations work in close co-operation with land reform agencies, thereby ensuring that the deserving large families are given priority in the allocation of the land distributed under the land reform. Since the living standards of the poor cannot be raised simply by putting them on farms, the welfare societies endeavour to procure for them the requisites of farming. They give them loans free of interest, help them in purchasing farm equipment and stock, and

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besides obtaining brood stock from the state for the poorer farmers, they also secure the occasional loan of thoroughbred stock for breeding purposes. Up to date almost 20,000 large agrarian families have been aided on these lines. Welfare societies also help the poor farmers who are engaged in vegetable and fruit gardening, bee-keeping, silkworm culture, rabbit breeding and collecting medicinal herbs.

Handicrafts.

In several villages the welfare societies organized the villagers into different handicraft groups to alleviate the effects of seasonal unemployment during the winter. To foster the handicraft activities of the villagers, welfare societies advance the sale of their products and help them with the purchase of raw materials.

Marriage Grants.

Marriage grants to young people is one method of social welfare aid to the agrarian population. A noteworthy feature of the contracts governing these loans is that repayments are progressively cancelled upon the birth of each child. These loans of 1000 pengös made possible the foundation of many new Hungarian families. After the birth of the fourth child the outstanding part of the loan is automatically cancelled.

Education.

The National Folk and Family Protection Bureau is working on a project which will subsidize the education of the children of farm labourers. It is expected

746 871 241 that 250,000 children will benefit by this project, and families with 800,000 children will be made financially stronger.

Beside all its other activities the Bureau subsidizes other social welfare bureaux, child protection organizations and crêches, and gives free lectures for the public.

Green Cross Health Centres.

744 It was found necessary for a centrally organized institution to supplement the public health services of existing local organizations and make them available in communities which do not possess them as a result of difficult communications, great distances from other settlements, extremes of climate etc.

Recently the organization of public health services in the villages has been greatly expanded. In 1940 the Ministry of the Interior established the Green Cross Health Service, the main object of which is to render health services in remote districts of the country. At the same time the public health centres in the counties were provided with dispensaries. These are staffed with Green Cross nurses who combat diseases in the villages by educational and practical measures. The work of the public health centre includes free advice on marriage and vocational problems as well as instruction in hygiene, pre-natal and infant care, looking after school-children, giving advice to those suffering from tuberculosis and venereal diseases, combating epidemics etc. Their manifold activities extend to the supervision of pure drinking water and housing conditions, and to advice on a properly balanced diet. About 100 public health centres (dispensaries) are built each year and their work is carried out in almost

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to political maladjustments and eventually to the rise and success of extremist political movements.

Set against this unhappy social background the land reform gains added significance. The redistribution of land involved about seven million acres and some 525,000 persons benefitted from it. A few exceptional land owners were allowed to keep as much as 400 acres, but on the whole, the large feudal estates so characteristic of the country disappeared in a few months.[40] But there is also a negative aspect. Although the land reform succeeded in breaking the power of feudal latifundia, it did not solve all of Hungary's agricultural problems. The new beneficiaries are directly responsible for a considerable decrease in national production for many of them have been in desperate need of agricultural equipment and implements. The machine industry could not supply this equipment as it has suffered more severely than any other major industry of the country. It will certainly be long before agriculture recovers and in the meantime, a full-fledged reconstruction of national industry is the principal post-war problem, as well as the key to recovery.

The three year plan officially announced in January 1947 is centered around the overall objective of restoring industry to the 1938 level of production. This comprehensive plan was prepared by special experts of the Social Democratic and Communist Parties with the cooperation of two ex-Hungarian professors of economics, the Communist expert Jenõ Varga of Moscow and Nicholas Káldor of London. Administrative details of this national plan closely parallel the Czech, Polish and Yugoslav projects, which propose to reach the economic levels of the last peace-time year by intensive national effort of two to five years of agricultural and industrial reconstruction. Two features are prominent in the Hungarian three year plan; the forced nationalization of mines and industry, and the establishment of new labor unions as a means of broadening the workers' participation in the country's economic life.

40 The land reform measure itself was hastily drawn up and carried out, yet it was the only way to induce peasants to undertake any cultivation in 1945. Consequently by 1946 over 90% of the agricultural land was sown. Cf. "Prospects for Agriculture, Danubian Outlook," *The Economist*, Jan. 4, 1947, pp. 6-7. The land reform was at least as much of a political and social measure as an economic move. As such it had a number of further implications; "a radical change as this cannot be carried out without jolts and jerks. Only after all available lands have been distributed will it be possible to appraise the economic and social consequences." R. Vambery, *Hungary—To Be or Not To Be*, pp. 177-178. For an official English language account cf. "Land Reforms and Reconstruction," Istvan Száva, *New Hungarian Domestic Policy*, pp. 29-32.